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INFORMATION REPORT

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COUNTRY Hungary

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SUBJECT Operations of the MAVAG Foundry and
Factory, Diosgyör

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The MAVAG Foundry

Date: 2-2-10 By: C

1. The MAVAG Foundry is an industrial establishment engaged in civilian production and, hence, not subject to special State controls. It is engaged in the production of crude castings, in the rough dressing of castings and in the production of electric steel.
2. The Foundry employs 9,000-10,000 workers in three shifts. At present, nearly all managerial, clerical, and labor personnel are the same as those employed before the war. However, according to recent plans, all personnel, including those longest with the plant, will be discharged within the next year. Their places will be taken by younger workers who have benefited by the "new education" and who are reliable Communists.
3. Coke and iron ore processed in the foundry come from Russia; scrap iron is obtained in Hungary. The principal foundry has a smelting capacity of 400 tons at a time (two blast furnaces of 200 tons capacity each). Wastage amounts to about 25 per cent. The principal foundry is operated twice a week, while the Martin furnaces operate four times a week.
4. In the Martin furnace section, there are 16 Martin furnaces, and one Bessemer furnace, which is not in use because the plant is unable to operate it satisfactorily. Fourteen of the Martin furnaces are modified for production of electric steel and are operated at half their capacity on two shifts. (See SO-51559.) The remaining two furnaces have not been modified, and are not in use. The furnaces process pig iron from the foundry section, producing steel in crucibles which is then sent on for further processing into crude sheet steel in the rolling mills. Wastage in the electric-steel section amounts to about 7 per cent, the most satisfactory figure for the nation's entire industry.
5. All of MAVAG's production is in semi-worked form; 50 per cent of it is shipped to the MAVAG Machine factory of Diósgyőr and the rest to the Matyas Rakosi (formerly Manfred Weiss) factory at Budapest-Central.

The MAVAG Machine Factory

6. The factory produces only derricks and miscellaneous articles of steel for Hungarian use. It is still producing, for "Yugoslav reparations", however, lathes, and turbine parts. Yugoslav reparation materials are shipped directly from the factory to Russia.

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7. Consignment of materials for Russia takes place in the factory directly to a Russian Commission, which includes three uniformed employees of the Russian railways. The latter carefully inspect material, and refuse to accept delivery whenever the slightest defect is discovered. Material thus rejected by the Russians amounts to 60 per cent of the entire production.
8. The Diosgyőr factory works in close collaboration with the Budapest MAVAG and with the Győr Rolling Stock Factory. To both, it ships finished and semi-finished products.
9. In the MAVAG factory, each workman, at the end of every third eight-hour shift, is required to clean, check, and adjust the machine at which he works. This procedure, known as the "Voroshin" or "Voroshilov" system, is a Russian invention, a gift of Father Stalin to the "liberated" workmen, and requires an extra hour of unpaid work.

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